





An Update On EU Financial Services Regulation

Dr David Doyle, EU FS Policy Expert, Board member, Kangaroo Group (EU Parliament)



A Word From Today's Chairman

Professor Michael Mainelli
Executive Chairman
Z/Yen Group



















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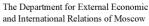








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Today's Agenda

■ 15:00 – 15:05 Chairman's Introduction

■ 15:05 – 15:25 Keynote Presentation – Dr David Doyle

■ 15:25 – 15:45 Question & Answer



Today's Speaker

Dr David Doyle

EU Financial Services Regulatory Advisor
Board member, Kangaroo Group (EU Parliament)
EU Policy Director, The Genesis Initiative (UK)



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EU asserting 'strategic autonomy' and pursuing a game-changing, innovative regulatory model

New Generation Initiative (2020-2027)

- €750bn Recovery Fund
- Allocation of 37% to climate investments
- Allocation of 20% to digital transformation

Promoting EU 'Strategic Autonomy'

- Reducing "excessive reliance" on non-EU providers...microchips, defence, generic medicines...and financial services!
- □ ECB review of how non-EU banks manage clients and assets based in the EU, where staff and capital are located, aimed at avoidance of "empty shell entities".

Innovation-led EU Digital Strategy

- ☐ Markets in Crypto-Assets Regulation: licence for issuers/providers, trading platforms, custody, outsourcing, safekeeping, new crypto-instruments, retail investors protection
- ☐ EU Digital Operational Resilience Act : ICT 3rd party providers
- ☐ Digital Markets and Services Acts : clear rules to suppress anything that is illicit...products, services or content ... "what's illegal offline must be illegal online"





EU regulatory strategy – embracing digital and sustainable economic, social and business models

Strengthened Anti-Money Laundering

- New EU anti-money laundering authority with oversight powers over all financial entities + AML policy private sector, to embrace crypto-asset service providers and crowd-funding platforms
- Measures for 'high-risk' 3rd countries, strengthened Beneficial Ownership rules ...

Completing the Capital Markets Union

- ☐ Focus away from financial-stability benefits to financing high-growth sectors via non-bank funding
- ☐ Emphasis on raising funding through equities rather than debt

Sustainable greening of the EU economy

- EU Taxonomy Regulation,- defining what are environmentally-sustainable economic activities
- □Corporate Sustainability Reporting Directive nudging investors towards sustainable investments by disclosure annually of their corporate social responsibility actions and results applies to large corporates and financial entities
- □ EU Sustainable Finance Disclosure Regulation (SFDR) requiring all financial actors to manage the sustainability risks of their own activities and measure how they impact the environment and society (double materiality)







Tour d'horizon of EU revisions to critical pieces of financial services legislation



Transposing Basle III into EU prudential regime

- Output floor at consolidated level in capital requirements calculated under internal models at 72.5% no more gaming the system!
- Reduced risk weights for <u>low-risk</u> residential loans
- strengthened and harmonized 'fit and proper' rules on key function-holders
- duties/roles
- Member States hold discretion in imposing systemic risk buffer
- Third-country bank branches subject to (re)authorisation and possible requirement to subsidiarise.

New operational rules under MiFID, UCITs and AIFMD

- Common rules on AIFM & UCITs liquidity management tools
- Clarifying Delegation rules (critical tasks, functions) in 3rd countries
- Creation of Consolidated Market Tape securities market data on price/volume traded across <u>all</u> EU trading platforms
- Replacement of 'Double Volume 'dark pools' cap: consolidated at 7%
- Alignment of Derivates Trading & Clearing Obligations (AMIR & MiFIR)
- Abolishing 'Open Access' rules free choice of clearing venue







Comments, Questions & Answers



26/01/2022

















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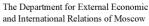








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Thank You For Listening

Forthcoming Events

- Wed, 02 Feb (11:00-11:45) Natural Climate Solutions: Seeing The Wood For The Trees
- Thu, 03 Feb (10:00-10:45) National Audit Office Good Practice Guide For Managing The
- Commercial Lifecycle
- Tue, 08 Feb (10:00-10:45)
 The Future Of Finance: How The Next Generation Builds Tomorrow

Visit https://fsclub.zyen.com/events/forthcoming-events/

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